

JAN 27 1993

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
)
Regulation of Basic Service)
and Equipment, Customer)
Changes to the Provision)
of Cable Television Service)
_____)

MM Docket No. 92-266

To: The Commission

COMMENTS
OF THE CITY OF TALLAHASSEE, FLORIDA

1. The City of Tallahassee, Florida ("the City") submits these comments in response to the Notice of Inquiry ("Notice") in this proceeding. The City's principal interest is urging the institution of a benchmark approach for basic cable rates; consider the proposed recommendations for regulation of equipment; correlate provisions to prohibit unreasonable charges for a change in equipment by a subscriber.

2. These comments respond to several proposed regulatory solutions regarding how consumers should be protected from unfair cable television practices. Part I outlines how cable television rates have escalated in Tallahassee far above the Consumer Price Index (C.P.I.). Part II responds to comments on an acceptable benchmark approach suitable for the

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Tallahassee market. Part III provides substantive recommendations on proposed regulatory solutions for changes in ancillary equipment.

3. The City is concerned that several of the provisions, agreed upon by subscribers and the cable operator in a strenuous franchise re negotiation process, maybe overruled.

I. Rate Regulation

4. There are approximately 42,000 cable television subscribers in the City of Tallahassee. Many have expressed concerns relative to the cost of cable service. One of the major issues citizens have raised is "what integral factors are involved in deriving at a specific amount for the increase in service."

5. We understand that there are inherent costs any company incurs as a part of operational and capital activities. However, increases in cable rates experienced by Tallahassee subscribers are sometimes unsubstantiated and/or unexplainable.

6. Exhibit one outlines three significant facets of the Tallahassee market including consumer price index, cable television services, and number of channels. This exhibit, representing a seven year period, illustrates that cable service has exceeded the C.P.I., which is a national acceptable standard. While there have been successive increases in rates, the number of channels have remained virtually stable. The City concurs with the Commission that a benchmark approach should be implemented. This approach should encompass deriving at an average rate per channel for the lowest tier on all cable systems and operations for 1992. The significance for considering the benchmark approach will serve as a national standard that shall be governed by federal laws for all cable systems. With this approach intact, it will eliminate inequity from market-to-market, and price gouging.

II. Regulation of Equipment

7. In the past, consumers have registered numerous complaints to the City regarding the cost of ancillary equipment to receive cable television services. The complaints registered reflected citizens desiring the option to either lease equipment from the cable company, or purchase ancillary equipment from a private vendor. To satisfy the desires of consumers as well as provide a level of comfort to the cable operator, the City developed innovative methods to accommodate both parties. We would like to offer these recommendations to the Commission:

- o Converters - The cable company shall make converters available to subscribers. Additionally, the cable company shall allow subscribers to use converters purchased or rented from other vendors provided such equipment is compatible with the cable company's system facilities. The subscriber shall inform the cable company of its use.

- o Internal Wiring - The cable company shall install and/or maintain internal wiring for subscribers. The cable company may own the internal wiring or, at the subscriber's discretion, the subscriber may install, own, maintain, or have other vendors install, own, and/or maintain internal wiring provided (1) that such wiring is compatible with the cable company's system, and applicable laws and regulations, and (2) such wiring shall not be used by a subscriber to attach to any of the cable operator's facilities without knowledge and written consent of the cable company.

- o Remote Control - The cable company shall make remote control units available to subscribers. The cable company may provide remote control units to subscribers as a part of its package of services. The cable company shall allow subscribers to use remote control units purchased or rented from other vendors.

III. Customer Changes

8. The Commission requested comments on customer changes in services. The City believes a charge should not be established when those changes are performed by a computer, or other similar simple methods. These simplistic methods require a limited amount of administrative effort. At a subscriber's discretion, a fee should only apply when a technician is dispatched to a customer's home.

9. The City believes that the operational cost in modifying the service is a significant catalyst that should be considered as a part of the composition of the fee. Logically one can surmise, one-half the time is used to modify a change in service compared to performing the initial installation. Therefore, we recommend that a cable operator should apply no more than one-half (1/2) the charge of the initial installation for making changes in service at the discretion of the customer.

CONCLUSION

10. For the foregoing reasons, the City of Tallahassee respectfully ask that the Commission:

(1) Implement a benchmark approach that would serve as a national uniform standard.

(2) Implement a policy that speaks to ancillary equipment.

- (3) Establish a standard for accessing a fee for changes in services.
- (4) Assist local regulators in the implementation of customer service guidelines

Respectfully submitted,

CITY OF TALLAHASSEE, FLORIDA

By Kenneth M. Austin

*Provided by the Federal Bureau
of Labor Statistics

** Introduced in 1990

*** Changed from Basic to Expanded in 1990

****Increase in channels may
reflect new service , or
new location, or new
format

Exhibit 1

Description	1986	1987	% Decrease (-)/ Increase (+)	1988	%Decrease (-)/ Increase (+)	1989	%Decrease (-)/ Increase (+)
Consumer Price Index (South Region)*	0.9	3.9	N/A	3.9	N/A	4.1	N/A

Cable Television Services							
**Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic/Extended***	10.47	13.29	27	14.60	10	16.45	13
Additional Outlets (Whole house 2 or more)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Outlets w/out Converter	1.50	4.00	63	4.00	0	Deleted	
Additional Manual/ Remote Converter	N/A	N/A	N/A	N/A	N/A	3.50/6.50	N/A
Additional Outlet w/Manual Converter	5.00	7.50	50	7.50	0	Deleted	
Additional Outlet w/out Converter	N/A	N/A	N/A	N/A	N/A	5.00	N/A
Remote Control	2.50	2.50	0	2.50	0	3.00	20
FM Stereo	1.50	1.50	0	1.50	0	1.50	0
Cable Guide	1.50	1.50	0	1.50	0	N/A	0
Parental Control Locks	No Charge	No Charge		No Charge		No Charge	

Premium							
Home Box Office	10.50	9.48	-10	9.48	0	9.48	0
Showtime	10.50	9.48	-10	9.48	0	9.48	0
Cinemax	8.50	9.48	12	9.48	0	9.48	0
Disney	10.50	9.48	-10	9.48	0	9.48	0

# Channels							
Limited Basic Tier**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic/Expanded***	28	28	N/A	30****	N/A	30****	N/A
Premium	4	4	N/A	4	N/A	4	N/A

Exhibit 1

Description	1986	1987	% Decrease (-)/ Increase	1988	% Decrease (-)/ Increase (+)	1989	% Decrease (-)/ Increase (+)
Installation (Ancillary Equipment)							
Limited Basic Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic Expanded	24.95	24.95	0	24.95	0	24.95	0
Basic-Additional outlet or FM Stereo w/initial order for new service installed	10.00	10.00	0	10.00	0	Deleted	
Additional outlets (if installed at the same time as other installations)	N/A	N/A		N/A	N/A	10.00	0
Install Later	24.95	24.95	0	24.95	0	Deleted	
Upgrade, downgrade and lateral switching-primary/additional outlets at residence	24.95	24.95	0	24.95	0	24.95	0
in office	14.95	9.95	-33	9.95	0	9.95	0
Move Outlet (FM or TV)	15.00	15.00	0	15.00	0	15.00	0
Trip Charge (move/add outlets, etc.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Delete Outlet	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transfer Service from Address to Address (customer in good standing)	14.95	14.95	0	14.95	0	14.95	0
Reconnection - same customer at same address (good standing within 90 days)	9.95	9.95	0	9.95	0	9.95	0
Reconnection - disconnected delinquent account or returned check	N/A	N/A	N/A	24.95	N/A	24.95	0
Non-pay - disconnect or returned check to reconnect	24.95	24.95	0	Deleted			
A/B Switch	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VCR-initial installation	N/A	10.00	N/A	10.00	0	10.00	0
separate service call	N/A	24.95	N/A	24.95	0	24.95	0

Exhibit 1

Description	1990	% Decrease (-)/ Increase (+)	1991	% Decrease (-)/ Increase (+)	1992	% Decrease (-)/ Increase (+)	1993	% Decrease (-)/ Increase (+)
*Consumer Price Index (South Region)	6.1	N/A	2.6	N/A	2.8	N/A	N/A	N/A

Cable Television Services				0				
**Limited	9.95	0	9.95	0	7.95	-25	7.95	0
Basic/Expanded***	17.70	8	17.70	0	19.55	10	21.40	9
Additional Outlets (Whole house 2 or more)	N/A	N/A	7.50	N/A	7.50	0	7.50	0
Additional Outlets w/out Converter	Deleted							
Additional Manual/ Remote converter	3.50/6.50	0/0	3.50/6.50	0	3.50/6.50	0	3.50/6.50	0
Additional Outlet w/manual converter	5.00	0	5.00	0	5.00	0	5.00	0
Additional Outlet w/out converter	5.00	0	5.00	0		0		
Remote Control	3.00	17	3.00	0	3.00	0	3.00	0
FM Stereo	1.50	0	1.50	0	1.50	0	1.50	0
Cable Guide	N/A	N/A	N/A	N/A	1.50	0	1.50	0
Parental Control Locks	No Charge		No Charge		No Charge		No Charge	

Premium				0				
Home Box Office	10.50	-11	10.50	0	11.00	5	11.00	0
Showtime	10.50	-11	10.50	0	11.00	5	11.00	0
Cinemax	10.50	-11	10.50	0	11.00	5	11.00	0
Disney	10.50	-11	10.50	0	11.00	5	11.00	0

# Channels								
Limited Basic Tier**	11	N/A	11	N/A	11	N/A	11	N/A
Basic/Expanded***	33****	N/A	33	N/A	33	N/A	33	N/A
Premium	4	N/A	4	N/A	4	N/A	4	N/A

Exhibit 1

Description	1990	% Decrease (-) / Increase (+)	1991	% Decrease (-) / Increase (+)	1992	% Decrease (-) / Increase (+)	1993	% Decrease (-) / Increase (+)
Installation (Ancillary Equipment)								
Limited Basic Service	50.00	N/A	50.00	0	24.95	-50	24.95	0
Basic Expanded	24.95	0	24.95	0	34.95	40	39.95	14
Basic-Additional outlet or FM Stereo w/initial order for service	Deleted							
Additional outlets (if installed at the same time as other installations)	10.00	0	10.00	0	Deleted			
Installed Later	Deleted							
Upgrade, downgrade and lateral switching-primary/additional outlets at residence	Deleted							
in office	9.95	0	9.95	0	9.95	0	9.95	0
Move Outlet (FM or TV)	10.00	-33	10.00	0	Deleted			
Trip Charge (move/add outlets, etc.)	24.95	N/A	24.95	0	34.95	0	34.95	0
Delete Outlet	9.95	N/A	9.95	0	9.95	0	9.95	0
Transfer service from Address to Address (customer in good standing)	14.95	0	14.95	0	14.95	0	14.95	0
Reconnection - same customer at same address (good standing within 90 days)	9.95	0	9.95	0	9.95	0	9.95	0
Reconnection - disconnected delinquent account or returned check	24.95	0	24.95	0	34.95	40	34.95	0
Non-pay - disconnect or returned check to reconnect	Deleted							
A/B Switch	15.00	N/A	15.00	0	15.00	0	15.00	0
VCR-initial installation	10.00	0	10.00	0	10.00	0	10.00	0
separate service call	Deleted							